

INVESTMENT POLICY
OF THE TOWN OF BEDFORD
(Originally adopted by the Board February 1, 1994)

I. SCOPE

This investment policy applies to all monies and other financial resources available for investment on behalf of the Town of Bedford or on behalf of any other entity or individual.

II. OBJECTIVES

The primary objectives of the local government's investment activities are, in priority order:

- * To conform to all federal, state and other legal requirements;
- * To adequately safeguard principal;
- * To provide sufficient liquidity to meet all operating requirements, and
- * Obtain a reasonable rate of return.

III. DELEGATION OF AUTHORITY

The Town Board's responsibility for administration of the investment program is delegated to the Supervisor or his/her designee, who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates and other relevant information and regulate the activities of subordinate employees.

IV. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Town of Bedford to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the

investment program, or which could impair their ability to make impartial investment decisions.

V. DIVERSIFICATION

It is the policy of the Town of Bedford to diversify its deposits and investments by financial institution, by investment instrument and by maturity scheduling.

VI. INTERNAL CONTROLS

It is the policy of the Town of Bedford for all monies collected by any officer or employee of the government to transfer those funds to the Supervisor or his/her designee within three days of deposit, or within the time period specified in law, whichever is shorter.

The Supervisor or his/her designee is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITORIES

The banks authorized for the deposit of monies for calendar year 2024 include:

JP Morgan Chase Bank
Webster's
TD Bank
Orange Bank & Trust
NYCLASS

The maximum amount that may be on deposit with any single financial institution is \$35 million for the year 2025.

VIII. COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, Sec. 10, all deposits of the Town of Bedford, including certificates of deposit and special time

deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of "eligible securities" with an aggregate "market value" as provided by GML Sec. 10, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.

IX. SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by the depository and/or a third-party bank or trust company subject to security and custodian agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local governments to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Town of Bedford or its custodial bank.

The custodian agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

X. PERMITTED INVESTMENTS

As authorized by General Municipal Law, Sec. 11, the Town Board of the Town of Bedford authorizes the Supervisor or her designee to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- * Special time deposit accounts;
- * Certificates of deposit;
- * Obligations of the United States of America;

- * Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- * Obligations of the State of New York;
- * Obligations issued pursuant to Local Finance Law Sections 24.00 or 25.00 by any municipality, school district or district corporation other than the Town of Bedford;
- * Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.
- * Certificates of Participation (COPs) issued pursuant to GML Sec. 109b.
- * Obligations of the Town of Bedford, but only with monies in a reserve fund established pursuant to GML Sections 6-c, 6-d, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Town of Bedford within such times as the proceeds will be needed to meet expenditures for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Town of Bedford within two years of the date of purchase.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Town of Bedford shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the local government conducts business must be creditworthy. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Supervisor or other officers having custody of money are responsible for evaluating the financial position and maintaining a list of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. PURCHASE OF INVESTMENTS

The Supervisor is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program with other authorized government entities pursuant to Article 5G of the General Municipal law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and

the specific program has been authorized by the governing board.

3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Town of Bedford by the bank or trust company. Any obligations held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in GML, Sec. 10E.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the banking for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

XII. REPURCHASE AGREEMENTS

Repurchase agreements are authorized subject to the following restrictions:

- * All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- * Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- * Obligations shall be limited to obligations of the United States of America and obligations guaranteed by the United States of America.
- * No substitution of securities will be allowed.
- * The custodian shall be a party other than the trading partner.

APPENDIX A

SCHEDULE OF SECURITIES

- Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
- Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.
- Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion the market value of the obligation that represents the amount of the insurance or guaranty.
- Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public monies.
- Irrevocable Letter of Credit issued for a term not to exceed ninety days by the Federal Home Loan Bank. The Letter of Credit shall be for 100% of deposits.

INVESTMENT PROGRAM PROCEDURES

In accordance with the Town of Bedford Investment Policy, the following guidelines will be followed with respect to the investment of Town of Bedford funds:

1. The amount of available funds is to be confirmed with the bank where deposited before investments are considered.
2. A simple cash flow calculation shall be made to show available funds and monies needed until maturing date of the investment.
3. For investment in Certificates of Deposit, bids are to be solicited from at least three banks.
4. The amount of collateral pledged to secure Town funds is to be reconciled to bank balances monthly.
5. An investment register is to be maintained showing a description and amount of the investment, the transaction date and other relevant information.
6. The Supervisor is to be consulted before investing in anything other than Certificates of Deposit, money markets or Repurchase Agreements.